

CHAPTER VI

CONCLUSIONS AND POLICY IMPLICATIONS

The Elderly Nutrition Demonstrations showed that it is possible to increase FSP participation among the elderly. In four of the six demonstrations, there was strong evidence that, after 21 months of operation, the demonstrations were able to bring approximately 20 to 35 percent more low-income households with elderly into the program. As a result, these participants received benefits that could help them meet their nutritional needs.

The success of the demonstrations indicates that policymakers have various choices to make regarding the best way or ways to address low elderly participation rates in the future. Each model increased participation in different ways, each with its own set of costs and obstacles involved to successful replication. There may be interest in expanding some of these demonstration models—even combining the aspects of one with those of another. Moreover, state FSP agencies and local organizations may want to replicate only some components of the demonstrations, such as providing some form of application assistance or reducing the need for in-person eligibility interviews among seniors.

In discussing the major conclusions and policy implications drawn from the evaluation findings, this chapter is intended to shed some light on the issues central to the design of future policies that would increase FSP participation among the elderly. Specifically, we explain how the demonstrations reduced the costs of applying for food stamps or increased the benefits of participation so that seniors were more willing to enroll in the program. We discuss the strengths and weaknesses of the demonstrations and the factors needed for successful replication. We conclude with a summary of research questions that were not fully answered by this study, but that could have implications for future efforts to increase participation of the elderly in FSP.

It should be noted that the conclusions presented here are based on a relatively small number of demonstrations. That is, for each model designed to increase elderly participation, the number of demonstrations tested ranged from one to three. While the findings would be more robust if they were based on more observations, we nevertheless

feel that important conclusions can be drawn from these demonstrations. By examining the impact estimates in the context in which each demonstration was operated, we can better understand why we observed the results we did. And while we cannot conclude that a given demonstration model will be successful under all circumstances, we can identify the circumstances that affect demonstration success.

MAJOR EVALUATION CONCLUSIONS

FSP Participation Can Be Increased Among the Elderly

The Elderly Nutrition Demonstrations have shown that steps can be taken to increase the historically low FSP participation rates among the eligible elderly population. While the exact impact estimates are subject to some level of uncertainty, there is strong evidence that the various demonstrations increased FSP participation by 20 to 35 percent after just 21 months of operation. If a similar increase were observed nationwide, the participation rate for elderly would increase from 28 percent to between 33 and 37 percent (Table VI.1).

Table VI.1. National FSP Participation Rates for the Elderly

	2002 (Actual) ^a	With 20 Percent Participation Increase	With 35 Percent Participation Increase
Eligible Households with Elderly	5,426,610	5,426,610	5,426,610
Participating Households with Elderly Change	1,502,654	1,803,185 +300,531	2,028,583 +525,929
Participation Rate Change	27.7	33.2 +5.5	37.4 +9.7

^aSource: Cunyningham 2004

The analysis of all three of the demonstration models showed evidence of large increases in elderly participation, suggesting that multiple approaches can be used. The simplified eligibility demonstration in Florida resulted in relatively large participation impacts in two counties. The burden of the application process was reduced substantially because clients were not required to travel to the local FSP office for an interview or to provide documentation of income and expenses. The application assistance demonstrations in Arizona and Maine also showed the potential for large increases in elderly participation, as seniors found the assistants to be extremely helpful in navigating the application process. The commodity alternative benefit demonstration in North Carolina was popular both among new applicants and among existing FSP participants. Clients eligible for low FSP benefits were more likely to get the commodity packages, which had a retail value substantially greater than their FSP benefits.

The Dollar Cost of Success Can Be Significant

Each of the demonstrations served a relatively large number of elderly clients. However, many were providing services to clients that probably would have participated in the FSP even in the absence of the demonstration. Since the primary objective of these demonstrations was to bring more seniors into the program, it makes sense to examine the dollar cost of success, and, as we discovered, this cost can be significant.

For each net new elderly household (that is, households that would not have participated in the absence of the demonstration), the demonstration costs ran from \$400 to \$4,000. Each demonstration model is associated with economies of scale that would likely reduce these per-impact costs were the demonstrations expanded (although the degree to which they are reduced depends on the demonstration's variable costs such as labor and food distribution equipment). Whether the demonstration costs are ultimately high enough to argue against replication depends on how policymakers value both the increase in elderly participation and the other benefits of the demonstrations. While the costs per net new household may be high, the benefit of increased elderly participation combined with the benefit of services provided to the elderly caseload in general may justify those costs.

Application Burden Is a Barrier to Seniors

The evaluation results suggest that the burden of applying for benefits posed a significant barrier to participation. The tasks of completing the application form and assembling the necessary supporting documentation constituted some of this application burden. Additional burden came from the interactions with FSP staff. Seniors were leery of having to go to the local FSP office, in part because of the treatment they anticipated from office staff. Moreover, they found the eligibility interviews intrusive, even if they were conducted over the phone. All of these factors combined posed a barrier that many seniors appeared unwilling to cross. Indeed, the fact that the two demonstration models designed in part to reduce application burden—simplified eligibility and application assistance—both showed impacts on participation supports the conclusion that application burden was a true barrier.

Stigma may also play a role in deterring seniors from the FSP. The focus groups suggested that substantial numbers of seniors reacted strongly to the stigma associated with FSP participation. In particular, seniors described the anxiety of using FSP benefits in stores, where they felt shoppers and store clerks looked down on them. While the degree to which these issues preclude seniors from participation is unknown, the concern among seniors is common.

Combined, the burden of applying for benefits and the stigma of participating created both financial and nonfinancial costs associated with applying to the FSP. Seniors were aware of these costs, and for many of these seniors, these costs were substantial relative to the size of the FSP benefit they expected.

Participation Impacts Come from Changing Clients' Costs and/or Benefits of FSP Participation

The demonstrations increased elderly FSP participation by changing the economic cost-benefit equation seniors faced. In focus groups, many seniors indicated that, prior to the demonstrations they were unwilling to apply for food stamps because the benefits they would receive were not worth the burden of applying. Either through reducing the costs of applying (in simplified eligibility and application assistance demonstrations) or through increasing the benefits of participating (in commodity alternative benefit demonstrations), the demonstrations changed the equation so that the benefits of participating outweighed the costs of applying.

This relationship is shown in part by the fact that efforts to lower these costs attracted the most cost-sensitive populations to the FSP. For households that were eligible only for a \$10 benefit, the costs of applying for food stamps—including the burdens of completing the application paperwork, assembling documentation, and dealing with the local FSP office—did not need to be very high to outweigh the \$10 in assistance per month. The application assistance demonstrations reduced those costs, however and, as a result, led to a large increase in clients eligible for \$10 in FSP benefits.

Likewise, the demonstrations attracted disproportionate shares of seniors at the older end of the age distribution. These seniors were more likely to have cognitive or physical limitations that made the burden of applying for benefits more significant. Again, the Application Assistance—and potentially the Simplified Eligibility—demonstrations were able to reduce these barriers enough so that more seniors from this category entered the FSP.

The commodity alternative benefit demonstration worked, in part, by affecting the other side of the equation: program benefits. The demonstrations attracted a particularly large share of clients eligible for the \$10 benefit because the retail value of the commodity packages were worth \$60 to \$70.

The implication of these results is that more seniors can be encouraged to participate in the FSP if the benefits outweigh the costs. The findings underscore the fact that the cost-benefit equation for seniors is different than that of other populations eligible for food stamps. Seniors face more costs in part because of cognitive and physical limitations, as well as a potentially higher sensitivity to stigma. Seniors also tend to face lower benefits because income from other sources, such as Social Security, often leaves them eligible for as little as \$10 a month.

The Demonstration Models Have Different Strengths and Weaknesses

While the demonstration models all showed the capacity to attract more seniors to the FSP, the models operated very differently nevertheless. These differences account for the differences in strengths and weakness from one model to the next (Table VI.2). These differences are also important considerations for policymakers as they design programs to increase elderly FSP participation in the future.

Table VI.2. Strengths and Weaknesses of Elderly Nutrition Demonstration Models

	Strengths	Weaknesses
Simplified Eligibility	<ul style="list-style-type: none"> • Least costly • Easiest model to implement • Reduces clients' application burdens • Simplifies workload for caseworkers 	<ul style="list-style-type: none"> • Potential errors in benefit determination • May not reach clients with substantial cognitive or physical limitations
Application Assistance	<ul style="list-style-type: none"> • Reduces clients' application burdens • Can reach clients with substantial cognitive or physical limitations • Simplifies workload for caseworkers • Can provide access to multiple assistance programs 	<ul style="list-style-type: none"> • Labor-intensive • More costly than Simplified Eligibility • Effectiveness is highly sensitive to the abilities of application assistants • May provide services to clients that do not need them
Commodity Alternative Benefit	<ul style="list-style-type: none"> • Reduces stigma of in-store use of FSP benefits • May be less burdensome than grocery shopping for some seniors 	<ul style="list-style-type: none"> • Most costly demonstration • Commodity distribution process is complicated and can be inconvenient to clients • Reduces clients' flexibility with respect to food choices

Simplified Eligibility Model

The simplified eligibility demonstration model in Florida appeared to be the most cost-effective of the three models. It attracted a relatively large number of new FSP clients through a change in eligibility rules and basic outreach activities. As a result, the start-up and ongoing costs of the demonstration were relatively low. The model also helped to reduce the workload of FSP caseworkers, since the eligibility interviews were waived, diminishing the amount of work needed to verify income and expense information.

This model was not, however, without its weaknesses. First, while there was little evidence that clients misused the simplified rules, there was a potential for applicants to misreport income, assets, and expenses to become eligible or increase their benefits. Such actions would raise program costs and erode its integrity. Moreover, while the demonstration reduced the application burden for many seniors, it might not have reached the clients who need the most assistance with the application process. Indeed, clients with

substantial cognitive or physical limitations may still require some form of assistance in completing the application process even under the simplified rules.

Because this demonstration model was implemented in one site only, questions inevitably remain about whether the impacts observed in Florida could be expected in other locations. That the other demonstration models were tested in a very small number of sites notwithstanding, the fact that multiple sites were used made it easier to identify idiosyncrasies and increased confidence in the conclusions. Anyone interested in replicating the simplified eligibility model should bear in mind that the results are based on the experience of one demonstration only.

Application Assistance Model

The application assistance demonstrations reduced the burden of applying and improved the clients' understanding of the eligibility process. In some cases, particularly when assistance was provided in the home, the demonstration was able to better serve clients with cognitive or physical limitations. Moreover, like the simplified eligibility demonstration, the waived eligibility interview and reduced paperwork eased the FSP caseworkers' workload.

However, the application assistance model is significantly more labor-intensive than the simplified eligibility model. As a result, it also is more costly. While two of the application assistance demonstrations effected large increases in FSP participation, the costs amounted to several hundreds of dollars per application and upwards of \$2,000 for each net new household that would not have participated otherwise. Another weakness of this approach may be that expensive services were, in some cases, provided to clients that would have applied for benefits anyway despite the fact that they did not qualify for assistance. Also, its effectiveness is contingent on the ability of demonstration staff to communicate well with seniors and, to some degree, on their ability to be persuasive. As a result, the successful replication of these demonstrations means hiring effective, and hence possibly expensive, staff.

Compared to the demonstrations in Arizona and Maine, the demonstration in Michigan adopted a somewhat different approach to application assistance by basing it in community centers. Unfortunately, the circumstances in Michigan, most notably the closing of key senior centers involved in the demonstration, limit our ability to draw conclusions about the efficacy of this approach, since those closures likely hampered the demonstration's effectiveness from the start. However, even after accounting for these closings, we would have expected to see larger impacts from the Michigan demonstration if it were as effective as the other application assistance demonstrations. The other factors limiting the effectiveness of the Michigan demonstration are not clear. The limited impact could suggest that the senior center-based approach is not a good way to reach the eligible elderly, or that providing application assistance in an urban area is inherently more difficult than an rural area. More testing of the Michigan approach would improve our understanding of its effectiveness.

Commodity Alternative Benefit Model

The commodity alternative benefit model was developed to test whether commodity packages would prove more attractive to seniors than traditional FSP benefits, in part because the commodity demonstrations may carry less stigma than participating in the FSP. The packages did appeal to many seniors. Seniors appear to be attracted to the commodity programs because they received more food than they would have with traditional FSP benefits. In addition, receiving food through the commodity alternative benefit demonstration may be less burdensome for seniors than grocery shopping is. While the demonstration may also reduce the stigma associated with using FSP benefits in stores, this did not appear a major factor in seniors' participation decisions.

The weaknesses of the commodity alternative benefit model stem from its costs and complexity. Unlike the other demonstration models, which are structured to serve clients at the time of application, the commodity alternative benefit model provides services to clients each month that they are enrolled. Moreover, the process of distributing commodities can become extremely complicated and difficult to coordinate. Finally, while the commodity packages can increase the quantity of food available to seniors, it obviously reduces their flexibility to choose the foods they want. This issue helps to explain why many seniors did not participate in the demonstration and suggests that any future efforts to replicate the commodity demonstrations should, like the demonstrations, continue to make traditional FSP benefits an option.

Several lessons emerge from the commodity demonstrations. First, the quality of the service provided appears to affect success. The North Carolina demonstration operated in a customer-friendly environment defined largely by effective communication with clients and a relatively smooth distribution process. The Connecticut demonstration, on the other hand, was arguably less customer-friendly, leaving some clients confused and frustrated with the process. Part of this difference may reflect the difficulties inherent in providing customer-friendly service in a large urban area.

The second lesson of the commodity demonstrations, evident in both programs, is that commodity distribution is an expensive process that involves substantial labor costs as well as the fixed costs of storing and distributing commodities.

The third and final lesson is that while commodity benefits may appeal to some seniors, others would prefer to receive traditional FSP benefits, which allow them to purchase the types and brands of foods they like most.

Conditions for Effective Replication

The lessons learned from the experiences of the individual Elderly Nutrition Demonstrations suggest that several conditions must be in place for replications of these demonstrations to be successful. As noted above, the basic condition is that the efforts must make the costs of applying less than the benefits of participating. Other conditions for success also exist, however.

First, the results of the various demonstrations underscore the importance of outreach. It is unrealistic to expect any of these demonstration models to have much of an impact on rates of participation unless seniors are made aware of the demonstration services and program benefits. Each of the successful demonstrations included expanded efforts to inform seniors about the availability of food assistance benefits (although some did not mention the FSP specifically). In several cases efforts to market the program without using the term “food stamps” appeared successful (such as the public service announcement used in Florida, or the multi-program approach used in Maine). Future initiatives aimed at increasing elderly FSP participation must involve effective approaches for informing seniors about the availability of program benefits and about changes made in the program to better accommodate seniors.

A second factor necessary for successful replication is effective staff. This is most important for efforts that involve direct contact with seniors, but also relates to other activities, such as the development of effective outreach and ongoing commodity distribution. The disparate outcomes of the two demonstration counties in Arizona show how different staff implementing the same procedures can have very different results. In designing future efforts, consideration should be given to whether the types of staff needed to make the effort effective are available.

For Commodity Alternative Benefit demonstrations, an efficient and user-friendly distribution process also is needed for successful replication. If the process is not user-friendly, clients easily can become frustrated, and the costs of participating may again outweigh the benefits. With respect to replication, there likely is not a one-size-fits-all approach to the efficient distribution of commodities. The process employed in the North Carolina demonstration, which was centralized and well-liked by clients, would probably not have worked well in a large urban area like Hartford, because the number of clients served could potentially overwhelm the simple distribution process. However, the experience in the Connecticut demonstration showed that increasing the complexity of the distribution process can create other problems that frustrate clients. In short, the distribution process must be tailored to the circumstances of the community served.

EBT May Reduce Stigma for Seniors

A common perception among FSP staff is that seniors find EBT cards frustrating because of difficulties in identifying how much in benefits is available, because using the cards requires seniors to memorize their personal identification numbers, and because seniors must use the EBT technology at the check-out line in grocery stores. While discussions with seniors as part of this evaluation confirmed that EBT was a source of frustration because of these issues, an important finding from these discussions was that most seniors still appear to prefer the EBT cards over traditional FSP benefits.

A major factor that makes EBT cards appealing to seniors is that the cards reduce the stigma of participating in the program. The fact that using public assistance benefits is almost indistinguishable from using debit or credit cards is well received by seniors. When using EBT cards, seniors are less concerned about what other shoppers or even grocery

store clerks think. Indeed, many seniors suggested that more of their peers might participate in the FSP if they simply knew that benefits could be used in this discreet way. In fact, in Florida, the successful televised promotional announcement that was created for the demonstration prominently featured the EBT card. This suggests that future outreach efforts to seniors should consider promoting the fact that benefits are provided via EBT. It may also imply that using commodity packages or other efforts to reduce the stigma of receiving food stamps may not be necessary if EBT cards achieve the same goal.

QUESTIONS FOR FURTHER RESEARCH

The results of this evaluation raised additional research questions about effective approaches for increasing elderly participation. These questions could not be answered, given the limited number of demonstrations that were examined. Nevertheless, policymakers should consider these issues in designing efforts to increase elderly participation in the future.

Which Seniors Are Not Reached by These Demonstrations?

Even the largest impact estimates suggested by the evaluation results—increasing participation by 35 percent in 21 months—did not bring elderly FSP participation rates in line with those of other FSP-eligible groups. A 35 percent increase in participation would raise the participation rate from the current estimate of about 28 percent to 37 percent, meaning that 63 percent of seniors would still not be participating. It is likely that participation rates would continue to rise as the successful demonstrations continued to operate. However, there may still be types of seniors not effectively reachable through simplified eligibility, application assistance and/or commodity benefits. Knowing the characteristics of these nonparticipants could help to develop even more effective efforts in the future. In this evaluation, we were able to examine only the characteristics of those reached by the demonstration, leaving uncertainty about the characteristics of those not reached.

Do Differences Between Urban and Rural Environments Play a Significant Role in the Effectiveness of the Demonstrations?

Among all the demonstration sites, only Leon County, Florida, Hartford, Connecticut, and Genesee County, Michigan contained relatively large urban areas. Of these, the impact of the demonstration in Michigan is substantially smaller than those of other demonstrations, and the demonstration in Connecticut had little or no impact on elderly participation. It is possible that the complications associated with providing services to a large, densely populated area limited the effectiveness of these demonstrations. In Leon County, where large impacts were observed, such complicating factors were minimal, since in-person services were not provided. Moreover, demonstration impacts observed in rural areas might have been partially attributable to what is sometimes perceived as a more friendly culture in rural areas. Unfortunately, without more demonstrations, it is difficult to tell whether these policies are less effective in urban areas, all else being equal.

To What Degree Can Outreach Alone Explain Some of the Observed Impacts?

Focus groups with seniors confirmed previous research findings that many seniors either did not know about the FSP program, or more commonly, were unaware that they were eligible. In some cases, outreach alone may have been sufficient to encourage more seniors to participate, but we believe that the bulk of the impacts were due to the demonstration services provided. While outreach can inform more seniors about the availability of the program, it does little to change the relative costs and benefits of participating. However, knowing the degree to which outreach alone would have raised participation in these sites—and whether it would have raised participation at all—would be valuable to state and local officials looking for effective strategies for increasing elderly participation in the FSP.